Message Text

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DEPT PASS COMMERCE AND MEPD

E.O. 11652: N/A TAGS: EMIN, IV

SUBJECT: POSSIBLE CANADIAN PARTICIPATION IN DEVELOPMENT OF IVORY COAST NICKEL DEPOSITS

1. IN LATE NOVEMBER 1976, REPRESENTATIVES OF FALCONBRIDGE NICKEL MINES LTD. OF CANADA (INCLUDING VICE PRESIDENT G.P. MITCHELL) AND OF THE SOCIETE POUR LE DEVELOPPEMENT MINIER DE LA COTE D'IVOIRE (SODEMI) MET IN ABIDJAN TO DISCUSS THE POSSIBILITIES OF FALCONBRIDGE PARTICIPATION IN THE EXPLOITATION OF NICKEL DEPOSITS IN THE BIANKOUMA DISTRICT (AT SIPILOU, FOUNGOUESSO, AND MOYANGO).

2. ALTHOUGH PARTICIPATION IS STILL

AT THE DISCUSSION STAGE, IT APPEARS THAT FALCONBRIDGE HAS DEFINITELY DECIDED THAT THE BIANKOUMA DEPOSITS CAN BE PROFITABLY EXPLOITED. ACCORDING TO PRESS REPORTS, FALCONBRIDGE WILL SEEK INTERNATIONAL FINANCING FOR THE PROJECT. PROBABLY IN THE U.S. AND SWITZERLAND AND POSSIBLY IN FRANCE, WEST GERMANY AND SWEDEN. FALCONBRIDGE, HOWEVER, DOES NOT WISH TO ENTER INTO A JOINT EXPLOITATION AGREEMENT WHICH WOULD OBLIGE THE COMPANY TO SHARE ITS TECHNICAL EXPERIENCE WITH OTHER PRODUCERS, ALTHOUGH EVENTUAL COLLABORATION WITH AN IVORIAN "SOCIETE" IS FORESEEN.

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3. IN 1975, SODEMI UNDERTOOK AN EXTENSIVE SURVEY OF

NICKEL DEPOSITS IN THE BIANKOUMA DISTRICT WITH THE FOLLOWING RESULTS:

MOYANGO-LEFOI: APPROXIMATELY 15 MILLION TONS OF HIGH-GRADE, EASILY EXPLOITABLE ORE;

SIPILOU: 23 BORE HOLES WERE UNDERTAKEN UNDER DIFFICULT TECHNICAL CONDITIONS, INCLUDING WATER INJECTION TO CUT THROUGH OVERLAYING SILICA DEPOSITS AND THE NECESSITY TO LIMIT BORE-HOLE DEPTHS.

CONCLUSIONS WERE THAT NICKEL DEPOSITS WERE TOO LOW-GRADE TO WARRANT IMMEDIATE ECONOMIC INTEREST BUT THAT THE ESTIMATED 200-250 MILLION TONS OF LATERITE ORE AND 80-100 MILLION TONS OF MAGNESIUM ORE IN THE SURVEY AREA MAY LEAD TO FUTURE EXPLOITATION.

FOUNGOUESSO: BECAUSE OF SIPILOU TECHNICAL PROBLEMS, ONLY THREE OF TEN PLANNED BORE-HOLES WERE EXECUTED. PRELIMINARY ESTIMATES WERE THAT THE FOUNGOUESSO DEPOSITS WERE ON A PAR WITH THOSE AT MOYANGO-LEFOI.

4. SODEMI PLANS FOR 1976 WERE TO CARRY OUT MORE DETAILED SURVEYS OF THE MOYANGO AND FOUNGOUESSO DEPOSITS, WITH A QUICK START ON EXPLOITATION IF JOINT RESERVES PROVED TO BE 30 MILLION TONS MINIMUM. RESULTS OF THESE SURVEYS ARE NOT YET AVAILABLE TO THE EMBASSY, BUT WE ASSUME FROM FALCONBRIDGE INTEREST THAT PREVIOUS DOUBTS AS TO THE PROFITABILITY OF EXPLOITATION HAVE BEEN OVERCOME. STEARNS

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